[Mr. C. S. Krishnaswami Aiyar.]

minor electrical undertakings. If, indeed, Government should actually decide to float a loan to find funds for the Pallivasal and other schemes, which they propose to take up next year, the necessary provision by way of a sinking fund or other forms of redemption of debt will also be made for them. The general reserve fund constituted from the old sinking fund will be amalgamated with the Government account balance of Rs. 113·17 lakhs, so that the total would be Rs. 173·72 lakhs which will be carried forward as the amount at credit of the Government account for the year 1111. This is necessary in view of the fact that the sinking fund formed only from the general revenue surpluses, should properly go back to swell the Government reserve or the surplus revenue account, as it is not now required for carrying out the original intentions of Government.

BUDGET ESTIMATES FOR 1111.

9. I shall now proceed to deal with the budget estimates for the ensuing year. The revenue is estimated at Rs. 242·13 lakhs and an expenditure charged to revenue of Rs. 249·42 lakhs has been provided for. The next year is thus expected to close with a revenue deficit of Rs. 6·96 lakhs. This deficit is not due to any abnormal expansion of the several departments of Government or to any large increase in recurring and ordinary expenditure but to certain non-recurring and extraordinary items. Besides providing for the usual normal expansion of the Government departments, provision has been made in the next year's budget for the Murajapom Ceremony (4·25), Military Works (3·0), the construction of the Council Chamber (2·0) and the Trivandrum Town Planning Scheme (1·50). Leaving aside these special items of expenditure, the next year's ordinary transactions are expected to end in a revenue surplus of about Rs. 4 lakhs.

The capital receipts next year are expected to amount to Rs 1·50 lakhs and the proposed programme of capital expenditure is estimated at Rs. 16·77 lakhs. Including the capital transactions, the Government Account balance will stand at Rs. 90·95 lakhs or including the General Reserve Rs. 151·49 lakhs.

REVENUE.

10. The budgetted revenue for the next year is Rs. 242·16 lakhs as against the current year's anticipated revenue of Rs. 233·44 lakhs While improvement in revenue to the extent of Rs. 10·45 lakhs is expected under some of the revenue heads, a decline of Rs. 1·73 lakhs is anticipated under others, of which the most important is Excise (1·10). The items which contribute to the increase are Land Revenue (3·30). Customs (1·52), Excise Duty on Matches (1·00), Education (1·17) and Willingdon Water Works (·85). Under Land Revenue, credit has been taken only for a probable increase of Rs 3 lakhs, although according to the normal demand it would have been much higher. The abnormal fall in the current year is due to the general remissions of tax sanctioned by Government. Under Customs, the receipts from the Cochin Harbour are expected to be Rs. 1·11 lakhs more than the current

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year's receipt of Rs. 11·39 lakhs. A slight improvement in our export trade is also expected. The Excise Duty on Matches is expected to bring in Rs. 1 lakh more than the receipts of the current year. Under Education the expected increase is mainly under school fees which were temporarily reduced from Kanni last. The improvement anticipated under Willingdon Water Works is due to the expected realisation of a revenue of Rs. 1·09 lakhs in the next year as against Rs. 25 of a lakh only in the current year as previously explained.

Expenditure charged to Revenue.

11. The budget proposals of the several departments for the next year have been carefully scrutinised both by the Government and the Standing Finance Committee and provision has been made for the normal expansion of the several departments. The important nation-building activities were also considered and funds provided as far as possible. The programme of expenditure charged to revenue for the next year is thus estimated at Rs. 249·12 lakhs. This is Rs. 16·17 lakhs more than the revised estimate for the current year. I shall now deal with the more important items.

12. *Land Revenue.*—Besides for the retention of a portion of the existing temporary staff for Jenmikaram Settlement work which is expected to be completed before the close of next year, provision has also been made for an additional temporary staff for the recovery of Jenmikaram. The survey budget includes a provision of Rs. 12,510 for the survey and demarcation of about 10,000 acres of land in the Pallivasal Pakuthy sanctioned for registration for cardamom cultivation to bonafide Travancoreans at a concession rate of tharavila of B. Rs. 60 per acre. This also includes the survey of the 500 acres of land proposed to be reserved for the purpose of a Sanatorium at Pallivasal.

13. *Forests* :—It has been found that the teak wood poles available in the forests of the State could with advantage be substituted for iron poles for the construction of the 11 K. V. transmission lines in connection with the Pallivasal Hydro-Electric Project, by subjecting them to a special treatment known as the *Ascu* treatment to prevent them from deterioration due to the attacks of fungus and other insects. The treatment consists in the impregnation of a special compound of arsenic and copper under pressure into the wooden poles. In view of the substantial saving expected from the use of such wooden poles, provision has been made in the Forest budget for the training of an officer in *Ascu* treatment of timber and for the purchase of the necessary accessories for the purpose.

Mention was made last year of the possibilities of opening a Paper Mill at Alwaye or Thattakad by utilising the eatta available in the forest areas between Pallivasal and Neriamangalam. The Titaghur Paper Mills of Calcutta have proposed the opening of a pulp and paper factory at Alwaye, subject to the condition of the eatta available in

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